

MINUTES OF THE  
MARICOPA ASSOCIATION OF GOVERNMENTS  
TRANSPORTATION POLICY COMMITTEE MEETING

March 18, 2009  
MAG Office, Saguaro Room  
Phoenix, Arizona

MEMBERS ATTENDING

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| Mayor Steven Berman, Gilbert, Chair                        | * Eneas Kane, DMB Associates                             |
| * Mayor Marie Lopez Rogers, Avondale,<br>Vice Chair        | * Mark Killian, The Killian Company/Sunny<br>Mesa, Inc.  |
| Councilmember Ron Aames, Peoria                            | Mayor Jackie Meck, Buckeye                               |
| Kent Andrews, Salt River Pima-Maricopa<br>Indian Community | * David Scholl   |
| Councilwoman Maria Baier, Phoenix                          | Mayor Elaine Scruggs, Glendale                           |
| + Vice Mayor Gail Barney, Queen Creek                      | Mayor Scott Smith, Mesa                                  |
| Stephen Beard, SR Beard & Associates                       | Mayor Jim Lane, Scottsdale,                              |
| * Dave Berry, Swift Transportation                         | Mayor Lyn Truitt, Surprise                               |
| Jed Billings, FNF Construction                             | Supervisor Max W. Wilson, Maricopa County                |
| Mayor James Cavanaugh, Goodyear                            | Felipe Zubia, State Transportation Board                 |
| * Mayor Boyd Dunn, Chandler                                | * Vacant, Citizens Transportation Oversight<br>Committee |
| * Mayor Hugh Hallman, Tempe                                |  |

\* Not present

# Participated by telephone conference call

+ Participated by videoconference call

1. Call to Order

The meeting of the Transportation Policy Committee (TPC) was called to order by Chair Steven Berman at 4:10 p.m.

2. Pledge of Allegiance

The Pledge of Allegiance was recited.

3. Call to the Audience

Chair Berman stated that an opportunity is provided to the public to address the Transportation Policy Committee on items that are not on the agenda that are within the jurisdiction of MAG, or non action agenda items that are on the agenda for discussion or information only. Citizens will be requested not to exceed a three minute time period for their comments. An opportunity is provided to comment on agenda items posted for action at the time the item is heard.

Chair Berman recognized public comment from Marvin Rochelle, who said that he has been active in transportation in Phoenix since 1970. He encouraged MAG and RPTA to consider Dial-a-Ride, which fulfills the transportation needs of those who have no other options, such as the elderly and those with disabilities. Mr. Rochelle said that there is a great need to get the Dial-a-Ride system moving quicker than it is, especially toward unification of the system. Chair Berman thanked Mr. Rochelle for his comments.

4. Approval of Consent Agenda

Chair Berman stated that agenda item #4A was on the consent agenda. He stated that public comment is provided for consent items. He noted that no public comment cards had been received. Mr. Beard moved to approve consent agenda item #4A. Councilmember Aames seconded, and the motion carried unanimously.

4A. Approval of the February 18, 2009, Meeting Minutes

The Transportation Policy Committee, by consent, approved the February 18, 2009, meeting minutes.

5A. ADOT Portion of the American Recovery and Reinvestment Act Funds

Eric Anderson, MAG Transportation Director, reported that on February 20, 2009, the State Transportation Board allocated the ADOT portion of the American Recovery and Reinvestment Act (ARRA) funds, approximately \$350 million, according to the Resource Allocation Advisory Committee (RAAC) formula. Mr. Anderson reported that MAG staff testified at the Board meeting that applying the RAAC formula, which is ordinarily used to distribute ADOT Discretionary Funds, was not an appropriate formula to use for ARRA funds, which is a new source of funding.

Mr. Anderson stated that in 2006, the Legislature allocated \$307 million for the Statewide Transportation Acceleration Needs (STAN) account, and 60 percent of the \$307 million was allocated to the MAG region. Mr. Anderson stated that in January 2009, to balance the state budget, the Legislature swept the unobligated funds remaining in the STAN account, and he noted that \$94 million of these STAN funds were for projects in the MAG region, including the I-10 and I-17 projects. Mr. Anderson stated that these projects were ready to obligate in October 2008 and were held by ADOT. He said that if the bids had been advertised, the projects would have been obligated and the Legislature would not have been able to sweep the funds.

Mr. Anderson stated that MAG testified at the State Transportation Board meeting in February that the MAG region be held harmless in regard to the funds the MAG region lost to the STAN sweep, and that the swept amount should be taken off the top of the ADOT allocation and the balance then distributed to MAG, PAG, and the 13 counties. Mr. Anderson stated that the Board did not agree with MAG's position.

Mr. Anderson then explained three bar charts that showed options for the allocation of ADOT stimulus funds. The first bar chart was the State Transportation Board action on February 20, 2009, to allocate about \$129.5 million (about 37 percent) to MAG, \$45.5 million to PAG, and \$175 million to the remaining 13 counties.

Mr. Anderson explained some of the key indicators between MAG, PAG and the other 13 counties. He pointed out MAG's 37 percent share of the ADOT stimulus funds and MAG's sub-allocated share of \$88 million. Mr. Anderson said that Maricopa County represents about 60 percent of the gas sales statewide and Maricopa County accounts for 60 percent of the population. Mr. Anderson noted that 78 percent of the construction jobs lost statewide over the last two years were lost in Maricopa County.

Mr. Anderson displayed maps of the 13 prioritized projects, and the five projects to be funded using stimulus funds, which represent about \$131 million in funding, approved by the Regional Council on February 25th and by the State Transportation Board on March 13th. Chair Berman thanked Mr. Anderson for his report. No questions from the Committee were noted.

5B. MAG Sub-Allocation Portion of the American Recovery and Reinvestment Act Funds Project and Allocation Scenarios

The American Recovery and Reinvestment Act (ARRA) legislation sub-allocates 30 percent of the funding (\$156.57 million) to local jurisdictions. Eileen Yazzie, MAG Transportation Program Manager, stated that the ARRA funds can be used on projects that meet the federal criteria of Surface Transportation Program and Transportation Enhancement Funds. She reported that these are the most flexible funds and can be used for such projects as transit, bicycle, and pedestrian projects, in addition to highway projects. Ms. Yazzie advised that paving dirt road projects are not eligible for ARRA funds.

Ms. Yazzie reported that MAG was notified the day before by ADOT and FHWA that the MAG sub-allocation portion of the ARRA funds is \$104.6 million, an increase of about \$15 million over the \$88 million previously thought. Ms. Yazzie stated that the ARRA funds were made available on March 3, 2009, and have a "use it or lose it" provision in which ADOT has 120 days to obligate 50 percent of its funds and transit has 180 days to obligate 50 percent of its funds from the date of enactment. She noted that MAG does not have this short-term provision, and all three groups must obligate 100 percent of its funds within one year. Ms. Yazzie advised that states that have obligated their funds will be eligible to apply for the balances that were not obligated by other states.

Ms. Yazzie stated that the reporting requirements on the ARRA funds are still under revision by FHWA. She noted that some of the reporting criteria include number of projects underway and complete, the number of indirect and direct jobs, etc. She stated that transparency is one of the goals of President Obama and reports will be posted on [www.recovery.gov](http://www.recovery.gov) for public view.

Ms. Yazzie stated that at its February meeting, the Transportation Policy Committee requested that scenarios for the MAG sub-allocation be developed. She stated that the proposed scenarios, not in any priority order, are: Scenario #1 - Member agency allocation with different base amounts; Scenario #2 - Highway projects not funded by the ADOT allocation; Scenario #3 - Highway and Arterial projects; Scenario #4 - Combination of Highway, Arterial and Transit projects; Scenario #5 - Projects ready to go that are in the TIP, whether Proposition 400 or not, and are non-highway and non-transit projects. Ms. Yazzie noted that the scenario packet at each place, dated March 17, 2009, was a revision to the packet that was sent with the agenda. She said that it was revised to reflect the total amount of the ARRA sub-allocation to MAG of \$104.6 million.

Ms. Yazzie stated that Scenario #1A calculates a minimum agency allocation and then adds population to the minimum agency allocation, and is formula historically used at MAG. Scenario #1B provides jurisdictions with a minimum agency allocation and calculates population distribution after the minimum agency allocations are provided. She stated that in Scenario #1, member agencies would need to make a decision on which Option, A or B, and the minimum agency allocation. Ms. Yazzie stated that jurisdictions would have to identify specific projects for the use of the economic recovery funds with a possible quick deadline, and added that she believed member agency staff has already done the ground work to identify eligible projects. She advised that projects that would require a lengthy NEPA/environmental review process are not good candidates for these funds.

Ms. Yazzie stated that Scenario #2 includes only Proposition 400 Highway projects, and she noted that the Regional Council already made a decision to fund five of the projects with the ADOT portion of the ARRA funds. Ms. Yazzie noted that the TIP modification would be addressed in agenda item #6. Ms. Yazzie stated that seven Freeway/Highway ADOT projects, totaling \$43.1 million, and approved in priority order by the Regional Council, are not funded by the ADOT portion of the ARRA funds. She stated that there are also three Proposition 400 projects, non-prioritized by the Regional Council and totaling \$160.5 million, that remain. She displayed the projects on a map. Ms. Yazzie advised that if Scenario #2 is recommended, a decision on which projects to fund with ARRA funds would be needed, and she added that there are more projects than available funding.

Ms. Yazzie stated that Scenario #3 incorporates Scenario #2, but adds Proposition 400 Highway and Street projects. She explained that there are four Arterial projects totaling about \$50 million that are ready to go and another four Arterial projects totaling about \$103 million that possibly could become ready by utilizing the consultants in the Local Government Section at ADOT. Ms. Yazzie displayed the projects on a map and advised that once again, there are more projects than available funding. She stated that if Scenario #3 is recommended, a decision would be needed on which projects to fund with ARRA funds because there are more projects than available funding.

Ms. Yazzie stated that Scenario #4 includes the projects in Scenario #2 and Scenario #3, and also includes Proposition 400 Transit projects that are not recommended for funding by RPTA. She advised that the list of transit projects is still under development by RPTA. Ms. Yazzie mentioned that if Scenario #4 is recommended, a decision would be needed on which projects to fund with ARRA funds because there are more projects than available funding.

Ms. Yazzie stated that Scenario #5 has three funding options and includes projects that are ready to go. She said that the amount needed to fund projects in the TIP Status A and NEPA Status A list is \$84 million; the STP-TEA projects raises the needed funding amount to \$95 million; the projects in the TIP Status A and NEPA Status B list increases the funding need to \$121 million. She said if Scenario #5 is chosen, projects would have to be selected to be funded as the number of candidate projects is higher than the MAG sub-allocated amount.

Ms. Yazzie stated that this item is on the agenda for possible action to recommend approval of a scenario for projects/allocations of the MAG Sub-Allocation Portion of the ARRA funds. Mr. Anderson noted that the Management Committee had recommended approval of Scenario #1, Option A. It was noted that the date of the suballocation table was March 17, 2009, which reflects that the MAG sub-allocation amount is \$104.6 million.

Mr. Smith noted that one significant requirement in the action is the November 30th cutoff date, because it is important for this region to spend all of its funds. He explained that if the projects are not obligated by November 30th, the funds would go back to MAG for reallocation to other projects that could use the funds.

Chair Berman asked for clarification of returning the funds to MAG. Mr. Smith replied that the funds not obligated by November 30th would be returned to MAG and the member agencies would follow the allocation process to compete for the funds.

Supervisor Wilson asked if a manpower shortage might be caused by trying to do a number of jobs at the same time, which could result in an increase in rates. Mr. Smith responded that MAG staff has not heard there is an issue with manpower in getting the projects done. He added that many of the projects could be paving or ITS signal projects, or a specific shovel-ready project, and staff believes that the project list could be implemented.

Mr. Anderson stated that ADOT is scheduling its projects to go to bid over the next three months so that contractors will not be burdened trying to do everything at one time. He indicated that MAG might meter out the bid advertisements so as not to overwhelm the contractors.

Councilmember Aames moved to recommend approval of Scenario #1, Option A, with a Minimum Agency Allocation of \$500,000 plus population dated March 17, 2009, for the distribution of the MAG Sub-Allocation Portion of the American Recovery and Reinvestment Act Funds in accordance with the following: 1. Establish a deadline of April 3, 2009, to have MAG member agencies define and submit projects to MAG for the sub-allocated funds due to the very limited time to obligate the projects. 2. Have MAG prepare the necessary administrative

adjustments/amendments to the FY 2008-2012 MAG Transportation Improvement Program and/or Regional Transportation Plan as appropriate. 3. Have MAG conduct the air quality consultation/conformity if necessary. 4. Establish a deadline of November 30, 2009 for projects to be obligated. Funds from projects that are not obligated will be reprogrammed to meet the federal obligation date of February 17, 2010 in order for Arizona to be eligible to receive funding from other states that are unable to obligate their funds. Mayor Cavanaugh seconded.

Mayor Scruggs explained the reasons she would vote against the motion. She stated that the City of Glendale continues to support Scenario #3 in recognition of the \$6 billion shortfall for Proposition 400 projects in the Regional Transportation Plan. She said that the Glendale City Council discussed this in a workshop and was unanimous in not spreading the funds in a peanut butter fashion, but supporting projects that benefit the region the most, create the most new jobs, are the best fit for the President Obama criteria about no pet projects, will enable large projects to be completed, will free up RARF and other funds that can then be used to accelerate other Proposition 400 projects, and will prevent some of the harm that will be done to those communities whose projects are at the end of the 20-year period of the Regional Transportation Plan.

Mayor Truitt stated that the City of Surprise feels the same way as Glendale.

With no further discussion, the motion passed, with Mayor Scruggs, Mayor Truitt, and Mr. Beard voting no.

Chair Berman expressed his support for the continuation of Proposition 400 and his hope that the money raised for that vehicle would be available to complete the projects.

Ms. Yazzie noted that next steps in the process include continuing work with RPTA, and targeting the March and April MAG committee meetings for approval of the sub-allocation projects. She advised that due to the short timeframe there is the possibility of additional or adjusted meeting dates and times. Ms. Yazzie stated that a joint meeting is planned in April with the ADOT Local Governments section, MAG member agencies, and Federal Highway Administration.

5C. MAG Regional Portion of the American Recovery and Reinvestment Act -Transit

Ms. Yazzie reported on the Transit portion of the MAG Regional Portion of the American Recovery and Reinvestment Act. She said that the focus of her presentation was the status of MAG Regional Transit portion of ARRA and next steps, and noted that RPTA staff was available for any questions. Ms. Yazzie stated that \$65 million is dedicated to the MAG region for transit projects. She noted that on March 3, 2009, the Federal Transit Administration released the final funding allocation, which means the clock started ticking that day for RPTA's requirement to obligate 50 percent of its funds in 180 days. Ms. Yazzie added that RPTA has one year to obligate 100 percent of the funds.

Ms. Yazzie reported that on February 19, 2009, the RPTA Board of Directors recommended criteria for project selection that includes Proposition 400 projects; construction projects or projects

that generate significant local job creation; ready to go projects; project size (larger is better); projects that may not qualify for federal funds; and projects that typically receive less federal funding.

Ms. Yazzie stated that on March 4, 2009, the RPTA Management Committee reviewed and discussed extensively the ARRA project list for funding and recommended projects that met the approved criteria for review by the RPTA Board of Directors. She displayed the recommended list of projects.

Ms. Yazzie stated that on March 6, 2009, the RPTA Budget and Finance Subcommittee met. She said that the Chair requested alternative funding scenarios be developed, and these are found on pages 13 to 18 of the RPTA memorandum that was included in the agenda packet.

Ms. Yazzie stated that a memorandum from RPTA, dated March 16, 2009, was at each place, and discusses a change of projects from those recommended by the RPTA Management Committee. Ms. Yazzie noted that the changes were based on a \$1 billion shortfall in the Transit Life Cycle Program and she said that the change affects 5307 formula funds to the Phoenix/Mesa Urbanized Area and suggests removing the Arizona Avenue Bus Rapid Transit project and lowers project costs for shade canopies. Ms. Yazzie noted that the table showed the projects that RPTA is recommending moving forward.

Ms. Yazzie stated that this item is anticipated to be on the March 19, 2009, RPTA Board of Directors agenda for a recommendation to MAG for inclusion in the Transportation Improvement Program.

Mr. Beard expressed his encouragement to the RPTA Board to go back to the Proposition 400 and Transit Life Cycle Program projects. He said that was the reason for his vote on the last agenda item. Mr. Beard said that without knowing the details, he also had concerns for the priority of shade canopies for park and ride. He stated that there has to be higher transit priorities than putting up shade canopies for parking spaces. Mr. Beard stated that shade was considered in the early planning stages for light rail, and that the feeling was that people would not use park and ride lots if there was not shade. He commented that the lot at Sycamore is heavily utilized is proving this perception wrong. Mr. Beard stated that there are so many things that have a higher priority, and he would like to convey that message to the RPTA Board when they meet the following day.

Mayor Scruggs expressed her appreciation that MAG staff put this on the agenda for information and discussion, because only two TPC members are RPTA Board members. Mayor Scruggs stated that the RPTA issues are complex and unless a person has had a long involvement, it is hard to catch up. She said that the RPTA Board developed the criteria, and it was surprising when a subcommittee changed it. Mayor Scruggs stated that shade canopies were discussed at the February Board meeting, and there were two projects that stood out and seemed if funds could be allocated to them it would free up funds for other projects. Mayor Scruggs stated that at that time, it was not explained to the Board that one of the projects was shade canopies on the park and ride lot that was already built. She noted that the other project was for the expansion of a park and ride

lot that was already built but was not in Proposition 400. Mayor Scruggs stated that she shared Mr. Beard's concern and wanted to clarify that the Board members were unaware of some of the details. She stated that there is a serious problem at RPTA regarding the purchase of buses; because they are purchased in Canada they are ineligible for stimulus funds.

Mr. Smith stated that when RPTA was making cuts as a result of the \$1 billion shortfall, almost all capital projects were eliminated, along with BRT on Arizona Avenue, Rural Road, Central Avenue and Grand Avenue.

Mayor Scruggs stated that this memorandum recently was sent out and there has been no Board action. She said that she understood that the Board does not have to approve the Transit Life Cycle Program this month. Mayor Scruggs expressed that she hoped people did not take this memorandum too much to heart. She said that it was startling information and perhaps not well thought out especially in regard to BRT.

Mr. Smith noted the tight obligation timeframe of 180 days that RPTA has to meet

6. Project Changes – Administrative Modification to the FY 2008-2012 MAG Transportation Improvement Program for Funding from the American Recovery and Reinvestment Act of 2009

Ms. Yazzie reported that this item requests action to make administrative modifications to the FY 2008-2012 MAG Transportation Improvement Program, and as appropriate, to the Regional Transportation Plan (RTP) 2007 Update for funding from the American Recovery and Reinvestment Act of 2009. She noted that the projects were referenced by Mr. Anderson in his presentation for agenda item #5A, and are the five Highway projects approved by the MAG Regional Council for the ADOT portion of the ARRA funds. Chair Berman thanked Ms. Yazzie for her presentation and asked if there were any questions. None were noted. No requests for public comment were received.

Mr. Beard moved to recommend approval of administrative modifications to the FY 2008-2012 Transportation Improvement Program, as appropriate, to the Regional Transportation Plan 2007 Update, for funding from the American Recovery and Reinvestment Act of 2009 as shown in the attached table. Councilwoman Baier seconded, and the motion carried unanimously.

7. Legislative Update

Nathan Pryor, MAG Senior Policy Planner, provided an update on legislative issues of interest. He reported that on the federal side, the final FY 2009 Omnibus Appropriations Bill was passed March 10. Mr. Pryor stated that transportation will receive a \$71.5 billion appropriation, which is 4.9 percent more than in FY 2008.

Mr. Pryor stated that the National Surface Transportation Financing Commission report recommended a short-term increase in the gas tax of 10 cents per gallon on regular gas and 15 cents per gallon on diesel, and for the long-term, a vehicle mileage-based fee. He stated that reports say



that this was not well received by the White House Press Secretary. Mr. Pryor stated that SAFETEA-LU expires on September 30, 2009, and when it will be reauthorized is uncertain. He added that the discussion on the stimulus funds have cast light on the nation's infrastructure needs. Mr. Pryor stated that the President's budget framework includes a 2.5 percent increase for the US Department of Transportation, but this amount decreases in the outer years.

Mr. Pryor reported on State legislation. He said that the FY 2010 budget has dominated work at the Legislature, and there has been slow movement on both the House and Senate sides. He noted that he is monitoring three public private partnership bills: Senate Bill 1261, Senate Bill 1463, and House Bill 2396. Mr. Pryor stated that House Bill 2396 is Representative Biggs's bill and received a do pass out of his committee, but has stalled. He stated that House Bill 2167 proposes a Transportation District Working Group consisting of the ADOT Director and the Chairs or Directors of the State's COGs and MPOs to discuss best practices and recommendations in terms of transportation districts in the State. Mr. Pryor noted that a report would be due from the group on December 1, 2010.

Chair Berman thanked Mr. Pryor for his report. No questions from the Committee were noted.

There being no further business, the meeting adjourned at 4:50 p.m.

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Chair

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Secretary